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A	AG SERVICES OF AMERICA INC	10Q	05-31-92
B	AMERICAN BIODYNAMICS INC	10Q	02-29-92
C	AMERIHOST PROPERTIES INC	10Q	06-30-92
D	GMIS INC	10Q	03-31-92
E	CLINICORP INC	10Q	02-29-92
F	COLUMBUS ENERGY CORP	10Q	02-29-92
G	CRYENCO SCIENCES INC	10Q	02-28-92
H	EA ENGINEERING SCIENCE AND TECHNOLOGY	10Q	02-28-92
I	FAMILY HEALTH SYSTEMS INC	10Q	02-29-92
J	GOLDEN QUAIL RESOURCES LTD	10Q	02-29-92
K	INTERNATIONAL ELECTRONICS INC	10Q	05-31-92
L	IONIX INC	10Q	02-29-92
M	LEGEND FOODS INC	10Q	01-31-92
N	LESCARDEN INC	10Q	02-29-92
O	MICRO BIO-MEDICS INC	10Q	02-29-92
P	PUROFLOW INC	10Q	04-30-92
Q	RADON TESTING CORP OF AMERICA	10Q	02-29-92
R	RIDGEWOOD PROPERTIES INC	10Q	02-28-92
S	TSS LTD	10Q	02-29-92
T	VISITEL NETWORK INC	10Q	03-31-92

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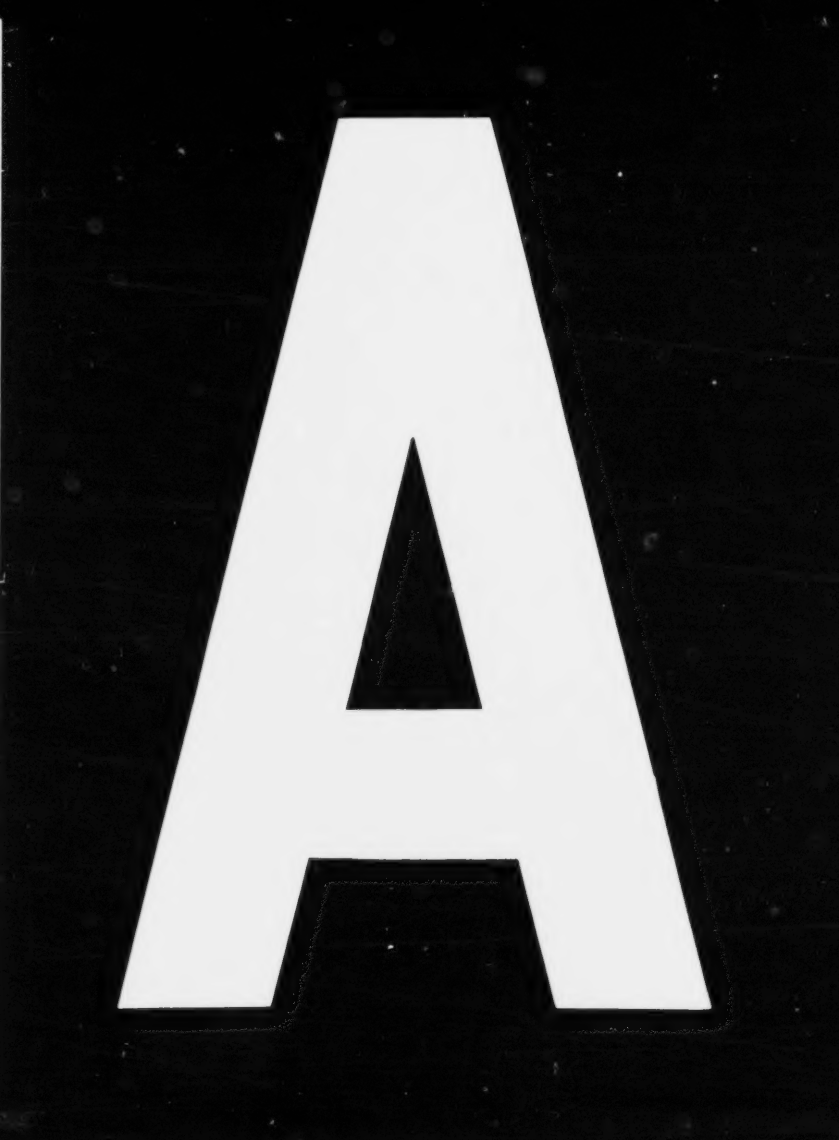
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UNITED STATES
SECURITES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended May 31, 1992

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 000-19320

Ag Services of America, Inc.
(Exact name of registrant as specified in its charter)

Iowa	42-1264455
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2302 West First Street, Cedar Falls, Iowa (Address of principal executive offices)	50613 (Zip Code)

(319)277-0261
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

1,678,000 common shares were outstanding as of June 10, 1992.

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AG SERVICES OF AMERICA, INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AG SERVICES OF AMERICA, INC.

CONDENSED BALANCE SHEETS

ASSETS	May 31, 1992 (Unaudited)	February 29, 1992 *
CURRENT ASSETS		
Cash	$12,177	$702,507
Customer notes receivable, less allowance for doubtful notes and reserve for discounts May 31, 1992 $2,092,000; February 29, 1992 $625,000	32,287,905	9,982,468
Accounts receivable	180,906	51,732
Inventories	338,372	1,098,228
Deferred income tax charges, net	200,000	133,000
Other current assets	37,905	71,920
Total current assets	$33,057,265	$12,039,855
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Customer notes receivable, less allowance for doubtful notes May 31, 1992 $486,000; February 29, 1992 $430,000	$1,822,355	$1,549,324
Deferred income tax charges, net	175,000	151,000
	$1,997,355	$1,700,324
EQUIPMENT, less accumulated depreciation May 31, 1992 $166,451; February 29, 1992 $166,339	$249,456	$231,158
	$35,304,076	$13,971,337
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Note payable	$16,500,000	$3,500,000
Excess of outstanding checks over bank balance	1,858,963	- -
Accounts payable	5,598,655	379,036
Accrued expenses	72,777	153,004
Income taxes payable	579,000	99,878
Total current liabilities	$24,609,395	$4,131,918
STOCKHOLDERS' EQUITY		
Capital stock	$7,275,603	$7,275,603
Retained earnings	3,419,078	2,563,816
	$10,694,681	$9,839,419
	$35,304,076	$13,971,337

*Condensed from Audited Financial Statements.

See Notes to Condensed Financial Statements.

AG SERVICES OF AMERICA, INC.

UNAUDITED CONDENSED STATEMENTS OF INCOME
Three Months Ended May 31, 1992 and 1991

	1992	1991
Net revenues:		
Farm inputs	$24,717,206	$15,585,932
Financing income	520,680	416,922
	$25,237,886	$16,002,854
Cost of revenues:		
Farm inputs	$22,749,674	$14,391,636
Financing expense	156,657	134,643
Provision for doubtful notes	346,443	217,600
	$23,252,774	$14,743,879
Income before operating expenses and income taxes	$1,985,112	$1,258,975
Operating expenses	638,328	490,899
Income before income taxes	$1,346,784	$768,076
Federal and state income taxes	491,522	277,905
Net income	$855,262	$490,171
Earnings per common and common equivalent share		
Primary	$0.49	$0.49
Fully diluted	$0.48	$0.49
Weighted average common and common equivalent shares outstanding		
Primary	1,744,496	1,000,000
Fully diluted	1,764,191	1,000,000

See Notes to Condensed Financial Statements.

AG SERVICES OF AMERICA, INC.

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
Three Months Ended May 31, 1992 and 1991

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$855,262	$490,171
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	18,767	13,470
Deferred income taxes	(91,000)	(75,000)
(Gain) on sale of equipment	(371)	– –
Change in assets and liabilities	(16,295,257)	(10,914,298)
Net cash (used in) operating activities	($15,512,599)	($10,485,657)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of equipment	$400	$– –
Purchase of equipment	(37,094)	(7,179)
Net cash (used in) investing activities	($36,694)	($7,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short–term borrowings	$13,325,000	$9,235,000
Principal payments on short–term borrowings	(325,000)	– –
Increase in excess of outstanding checks over bank balance	1,858,963	1,063,417
Payments of deferred stock issuance costs	– –	(101,589)
Net cash provided by financing activities	$14,858,963	$10,196,828
(Decrease) in cash	($690,330)	($296,008)
CASH		
Beginning	702,507	306,336
Ending	$12,177	$10,328
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	$148,495	$134,272
Income taxes	$103,400	$216,176
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Accounts payable recorded for deferred stock issuance costs	$– –	$69,220

See Notes to Condensed Financial Statements.

AG SERVICES OF AMERICA, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY
Quarter Ended May 31, 1992
(Unaudited)

	Capital Stock		Retained	
	Shares Issued	Amount	Earnings	Total
Balance, February 29, 1992	1,678,000	$7,275,603	$2,563,816	$9,839,419
Net income	--	--	855,262	855,262
Balance, May 31, 1992	1,678,000	$7,275,603	$3,419,078	$10,694,681

See Notes to Condensed Financial Statements.

AG SERVICES OF AMERICA, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested these interim condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report for the year ended February 29, 1992. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented have been made. Operating results for the three month period ended May 31, 1992 are not necessarily indicative of the results that may be expected for the year ending February 28, 1993.

Note 2. Commitments and Contingencies

Commitments:

In the normal course of business, the Company makes various commitments which are not reflected in the accompanying condensed financial statements. These include various commitments to extend credit to customers. At May 31, 1992 and February 29, 1992 the Company had approximately $18,403,000 and $9,779,000, respectively, in commitments to supply farm inputs. No material losses or liquidity demands are anticipated as a result of these commitments.

Contingencies:

The Company is named in lawsuits in the ordinary course of business. Counsel for the Company have advised the Company, while the outcome of various legal proceedings is not certain, it is unlikely that these proceedings will result in any recovery which will materially affect the financial position or operating results of the Company.

The availability of lines of credit to finance operations and the existence of a multi-peril crop insurance program are essential to the Company's operations. If the federal multi-peril crop insurance program currently in existence were terminated or negatively modified and no comparable private or government program were established, this could have a material adverse effect on the Company's future operations. The government has from time to time evaluated the federal multi-peril insurance program and is likely to review the program in the future, and there can be no assurance of the outcome of such evaluations.

Note 3. Earnings per Common and Common Equivalent Share

Earnings per common and common equivalent share was computed by dividing net income by the weighted average number of common and common equivalent shares outstanding during each respective period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The following table sets forth percentages of net revenues represented by the selected items in the unaudited condensed statements of income of the Company for the three months ended May 31, 1992 and 1991. In the opinion of management, all normal and recurring adjustments necessary for a fair statement of the results for such periods have been included. The operating results for any period are not necessarily indicative of results for any future period.

	Percentage of Net Revenues	
	Three Months Ended May 31,	
	1992	1991
Net Revenues:		
Farm inputs	97.9%	97.4%
Financing income	2.1%	2.6%
	100.0%	100.0%
Cost of revenues:		
Farm inputs	90.1%	89.9%
Financing expense	0.6%	0.8%
Provision for doubtful notes	1.4%	1.4%
	92.1%	92.1%
Income before operating expenses and income taxes	7.9%	7.9%
Operating expenses	2.6%	3.1%
Income before income taxes	5.3%	4.8%
Federal and state income taxes	1.9%	1.7%
Net income	3.4%	3.1%

Net Revenues:

Net revenues increased $9.2 million or 57.7% during the three months ended May 31, 1992, compared with the three months ended May 31, 1991. Financing income as a percentage of net revenues declined from 2.6% of net revenues for the three months ended May 31, 1991 to 2.1% of net revenues for the three months ended May 31, 1992. This small decline in financing income as a percentage of net revenues is a result of the more favorable interest rates the Company is offering its customers in fiscal 1993. However, the Company was able to maintain its margin on financing as a result of the decrease in financing expense as discussed below.

Cost of Revenues:

The total cost of revenues remained constant at 92.1% of net revenues for the three months ended May 31, 1992 and 1991. The gross margin on farm inputs, alone, increased slightly from from 7.7% for the three months ended May 31, 1991 to 8.0% for the three months ended May 31, 1992 primarily as a result of the decline in net revenues from cash rents, fuel, irrigation and custom application fees, as a percentage of net revenues. The Company offers these farm inputs at a lower margin. Financing expense decreased from 0.8% of net revenues for the three months ended May 31, 1991 to 0.6% of net revenues for the three months ended May 31, 1992 primarily because of the approximately $4.7 million in net proceeds from the sale of 678,000 shares of newly issued common stock as a result of the Company's initial public offering completed in August 1991 and through the reduction of the interest rate on the Company's bank line of credit from an average of 9.08% for the three months ended May 31, 1991 to an average of 6.75% for the three months ended May 31, 1992. However, the decrease in financing expense did not have a significant impact on income before operating expenses and income taxes because the company passed the reduction in interest rates on to its customers as discussed in "Net Revenues" above.

Operating Expenses:

Operating expenses declined from 3.1% of net revenues for the three months ended May 31, 1991 to 2.6% of net revenues for the three months ended May 31, 1992. This decline is a result of the Company's operating expenses increasing at a lower rate (30.0%) than net revenues (57.7%). The increase in operating expenses is primarily due to the increase in payroll from $234,640 for the three months ended May 31, 1991 to $324,073 for the three months ended May 31, 1992. The increase is a result of the Company adding employees after May 31, 1991.

Net Income:

Net income increased 74.5% from $490,171 for the three months ended May 31, 1991 to $855,262 for the three months ended May 31, 1992. The increase is attributable to the increase in net in net revenues and the decline in operating expenses as a percentage of net revenues.

Liquidity and Capital Resources:

At May 31, 1992, the Company had working capital of $8,447,000 an increase of $4,791,000 over a year ago and $539,000 since February 29, 1992. The components of this net increase, since February 29, 1992, were (i)$576,000 resulting from operating activities, consisting of approximately $855,000 in net income, $19,000 in depreciation, and the remainder from a net change in other working capital items, and (ii) capital expenditures of approximately $37,000 related to the acquisition of equipment and furniture.

In February 1992, the Company's line of credit agreement was amended and increased from $20,000,000 to $29,000,000 and extended to February 28, 1994. In March 1992, the Company received a commitment for an additional $5,000,000 increase in the line of credit to a total of $34,000,000. The Company's bank line of credit can be drawn upon based on a percentage of customer notes receivable up to the $34 million maximum amount of the line of credit. At May 31, 1992, the Company had a maximum amount available on its line of credit of approximately $4.8 million based on a percentage of customer notes receivable. The Company's loan agreement for its line of credit contains numerous restrictive covenants, including amoung others: prohibition on the payment of dividends until the credit line has been fully paid, mergers, issuance of stock and loans to shareholders; requirements for the maintenance of certain financial ratios and total stockholders' equity.

Management believes that the financial resources available to it, including its bank line of credit, trade credit and internally generated funds, will be sufficient to finance the Company and its operations in the foreseeable future. The Company currently has no significant capital commitments.

AG SERVICES OF AMERICA, INC.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(11) Statement re computation of earnings per common share is attached.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the period covered by this report.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AG SERVICES OF AMERICA, INC.
(Registrant)

Gaylen D. Miller
President and Chief Executive Officer
(Principal Financial and Accounting Officer)

Date: July 10, 1992

AG SERVICES OF AMERICA, INC.

EXHIBIT 11 – COMPUTATION OF EARNINGS PER COMMON SHARE

	Three Months Ended May 31,	
	1992	1991
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE:		
Primary:		
Weighted average common and common equivalent shares:		
Weighted average common shares outstanding	1,678,000	1,000,000
Weighted average common equivalent shares computed using the treasury stock method:		
Warrants	15,924	– –
Options (1)	50,572	– –
	1,744,496	1,000,000
Net income	$855,262	$490,171
Earnings per common and common equivalent share	$0.49	$0.49
Fully diluted:		
Weighted average common and common equivalent shares:		
Weighted average common shares outstanding	1,678,000	1,000,000
Weighted average common equivalent shares computed using the treasury stock method:		
Warrants	25,981	– –
Options	60,210	– –
	1,764,191	1,000,000
Net income	$855,262	$490,171
Earnings per common and common equivalent share	$0.48	$0.49

(1) Some of the stock options have not been included because they are antidilutive.